

Message Text

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ACTION EUR-12

INFO OCT-01 EA-10 ISO-00 AID-05 CEA-01 CIAE-00 COME-00
EB-08 FRB-03 INR-10 IO-13 NEA-10 NSAE-00 USIA-06
OPIC-03 SP-02 TRSE-00 LAB-04 SIL-01 AGRE-00
OMB-01 SS-15 /105 W
-----021433 292357Z /75

R 291240Z MAR 78
FM AMEMBASSY PARIS
TO SECSTATE WASHDC 9212
INFO AMEMBASSY BERN
AMEMBASSY TOKYO

LIMITED OFFICIAL USE PARIS 10355

USOECD

PASS TREASURY

E.O. 11652: N/A
TAGS: EFIN, OECD
SUBJECT: JAPANESE AND SWISS RESTRICTIONS ON
NON-RESIDENTS' PURCHASES OF DOMESTIC SECURITIES

REF: PARIS 4622

1. THE MEASURES RECENTLY IMPOSED BY JAPAN AND
SWITZERLAND ON CERTAIN INWARD CAPITAL FLOWS INCLUDE
RESTRICTIONS ON NON-RESIDENTS' PURCHASES OF DOMESTIC
SECURITIES. AS WE UNDERSTAND THEIR NATURE, THEY WILL
REQUIRE DEROGATIONS, PRESUMABLY UNDER ARTICLE 7(B),
TO OBLIGATIONS UNDER OECD CODE OF LIBERALISATION OF
CAPITAL MOVEMENTS.

2. APRIL 3-5 MEETING OF INVISIBLES COMMITTEE (IC)
WILL DISCUSS THESE MEASURES UNDER AGENDA ITEM ON
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"RECENT MEASURES", BUT FORMAL CONSIDERATION OF
REQUESTS FOR DEROGATION WILL TAKE PLACE AT SUBSEQUENT
IC MEETING. (MEASURES ARE DESCRIBED IN WORKING DOCU-
MENT PREPARED BY SECRETARIAT, COPY OF WHICH BEING
MAILED DEPARTMENT/GELBARD AND TREASURY/ALTHEIM, BUT
FORMAL NOTIFICATIONS FROM SWISS AND JAPANESE HAVE
NOT YET BEEN RECEIVED.)

3. U.S. MEMBER OF IC PROPOSES TO EXPRESS, IN LOW-KEY MANNER, REGRET AT IMPOSITION OF RESTRICTIONS BEARING ON OBLIGATIONS UNDER CODE AND TO QUESTION WHETHER SUCH RESTRICTIONS ARE EFFECTIVE IN ACCOMPLISHING THEIR PURPOSE. NEVERTHELESS, RECENT IC AGREEMENT TO EXTEND GERMAN DEROGATION ON COMPARABLE MEASURES (REFTEL) SUGGESTS THAT OTHER MEMBERS WILL NOT BE DISPOSED TO QUESTION JAPANESE AND SWISS REQUESTS FOR DEROGATION.

4. ACTION REQUESTED: ADVISE BY APRIL 5 IF WASHINGTON DISAGREES WITH LINE U.S. MEMBER PROPOSES TO TAKE.
SALZMAN

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NNN

Message Attributes

Automatic Decaptioning: X
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Draft Date: 29 mar 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
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Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
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